MULTIMEDIA UNIVERSITY STUDENT IDENTIFICATION NO

MULTIMEDIA UNIVERSITY

FINAL EXAMINATION

TRIMESTER 1, 2016/2017

TFA2141 – FINANCIAL ACCOUNT FOR MANAGERS

(All sections / Groups)

20 OCTOBER 2016
09:00 – 11:00
(2 Hours)

INSTRUCTIONS TO STUDENT

1. This Question paper consists of 6 pages with 4 Questions only.
2. Attempt **ALL** questions. All questions carry equal marks and the distribution of the marks for each question is given.
3. Please write all your answers in the Answer Booklet provided.

QUESTION 1

PART A

The following are the extract of Statement of Financial Position of Zamrud Enterprise as at 31 December 2013:

	2013
Non-Current Asset	**RM**
Plant and Machinery	15,000
Accumulated depreciation – Plant and Machinery	6,000

The value of Plant and Machinery account represents the original cost and the accumulated depreciation represents the provision for depreciation which calculated at the rate of 10% on cost.

In addition, On 1st January 2014, there is additional plant costing RM2,500 was purchased. The payment was made by cash.

Required:

a) Show the account of Plant and Machinery for the year 2014 and 2015
b) Show the account of Accumulated depreciation for the year 2014 and 2015

(14 marks)

PART B

On 1st March 2015, Mickey Company borrows RM80,000 from HRB Bank by signing a 6-month, 6%, interest-bearing note.

Required

a) Prepare the journal entry on 1st March 2015 when the note was issued.
b) Prepare any adjusting entries necessary on 30th June 2015 for the purpose of preparing semi-annual financial statements. Assume no other interest accrual entries have been made. (Show workings to support your answer)
c) Prepare the entry to record payment of the note at maturity.

(11 marks)

Total: 25 marks

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QUESTION 2

The following is the trial balances extracted from the books of Power Trading Enterprise as at 31 December 2015.

Accounts	Debit (RM)	Credit (RM)
Capital		119,600
8% Loan from HUBC		40,000
Purchase and Sales	27,600	59,700
Return Inwards and Outwards	1,940	1,550
Rental income		10,000
Carriage inwards	2,620	
Carriage outwards	2,520	
Salaries	9,800	
Electricity	2,120	
Investment in Fixed Deposit	31,000	
Bank	10,200	
Commission income		2,800
Selling expenses	8,500	
Discount Allowed and Received	1,930	1,650
Motor expenses	1,900	
Interest on Fixed Deposit		1,900
Insurance	1,600	
General expenses	1,500	
Allowance for Doubtful Accounts		2,330
Land and Building	86,000	
Delivery Van	20,000	
Office Equipment	18,000	
Accounts Receivable and Payable	12,700	12,500
Inventory as at 1 January 2015	12,100	
	252,030	**252,030**

Additional Information

1. Inventory as at 31 December 2015 was valued at RM11,500.

2. The following expenses were still accrued as at 31 December 2015:
   Insurance expenses RM1,400
   Salaries expenses RM800

3. Uncollectible accounts are estimated to total RM2,700 at the end of the period.

4. The following revenues were not yet received as at 31 December 2015:
   Rental income RM3,000
   Commission income RM1,200

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5. Loan from HUBC was taken on 1st July 2015. No interest payment has yet been made.

6. Depreciation on non-current assets as at 31 December 2015 will be charged as follows:

Delivery van	20% per annum on cost, yearly basis
Office equipment	10% per annum on net book value, yearly basis

7. Robert, the owner of the business, withdrew goods worth RM1,000 to be given as a wedding present to his friend.

8. RM900 of the interest on Fixed Deposit was not yet received at the end of the accounting period.

Required

a) Prepare Income Statement for the year ended 31st December 2015 (13.5 marks)
b) Prepare Statement of Financial Position as at 31st December 2015 (11.5 marks)

Total : 25 marks

QUESTION 3

PART A

The financial statements of John Cully Trading, for the year ended June 30, 2014 and 2013, are presented as below:

John Cully Trading
Statements of Financial Position as at June 30

	2014	**2013**
Assets	**RM**	**RM**
Intangible and other assets	876,700	849,300
Property, plant and equipment(net)	694,200	64,700
Investments	12,300	12,600
Current assets :		
Prepaid expenses and other current assets	204,400	269,200
Inventory	768,300	653,500

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Account Receivable (net)	776,600	664,900
Cash	553,300	611,600
Total assets	3,885,800	3,708,100
Equity and Liabilities		
Capital	1,708,600	174,900
Non-current liabilities	679,500	637,100
Current liabilities	1,497,700	13,200
Total equity and liabilities	3,885,800	3,708,100

John Cully Trading
Income Statements
For the Year Ended June 30

	2014 RM	2013 RM
Sales revenue	6,336,300	5,790,400
Cost and expenses		
Cost of good sold	1,617,400	1,476,300
Selling and administrative expenses	4,007,600	3,679,000
Interest expense	13,900	27,100
Total cost and expenses	5,638,900	5,182,400
Income before income taxes	697,400	608,000
Income tax expense	291,300	232,600
Net income	406,100	375,400

Required

Compute the following ratio for 2014 and briefly explain your answer

a. Current ratio
b. Inventory turnover
c. Return on assets
d. Debt to total assets

(19 marks)

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PART B

The following items were taken from the financial statements of Cempaka Company over a four-year period:

Item	2015	2014	2013	2012
	RM	RM	RM	RM
Net Sales	1,400,000	1,050,000	850,000	600,000
Cost of Goods Sold	650,000	480,000	390,000	300,000
Gross Profit	750,000	570,000	460,000	300,000

Required

Using horizontal analysis and 2012 as the base year, compute the trend percentages for net sales, cost of goods sold, and gross profit. (Round up your answer to the nearest percentage). Explain the trend of the company cost of good sold and gross profit and whether the trend is favourable or unfavourable.

(6 marks)
Total : 25 marks

Question 4

Given below are the details of Cash Book and Bank Statement of Maju Meng Enterprise for the month of March 2016.

Cash Book

Date 2016 Mac	Details	Cheque No.	RM	Date 2016 Mac	Details	Cheque No.	RM
1	Balance b/d		6,400	4	Accessories	724591	495
3	Sales		2,930	7	Insurance	724592	900
8	Commission		175	16	Purchases	724593	2,160
17	Lin Store		600	20	General Expenses	724594	474
25	Putra		490	27	Tan Supplies	724595	1,700
29	Sham		360	29	Mega Enterprise	724596	1,030
30	Zee Trading		1,250	31	Balance c/d		5,446
			12,205				12,205

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Bank Statement of Maju Meng Enterprise for March 2016

Date	Details	Check No.		Debit	Credit	Balance
2016				RM	RM	RM
Mac 1	Balance					6,780
2	Cheque	724590		380		6,400
5	Cheque	256467			2,930	9,330
6	Cheque	724591		495		8,835
8	Deposit				175	9,010
9	Cheque	724592		900		8,110
18	Cheque	724593		2,610		5,500
19	Local clearance cheque	134698			600	6,100
20	Dividend-Prima Enterprise				270	6,370
25	Rent			500		5,870
30	Cheque	724594		474		5,396
	Bank Charges			20		5,376

Additional Information

1. The amount of cheque number 724593 has been wrongly stated in the cash book

2. Sham's cheque which has been deposited on 29 March 2016 has been returned by bank

Required:

a) Prepare the Adjusted Cash Book as at 31st March 2016.
b) Prepare Bank Reconciliation Statement of Maju Meng as at 31st March 2016.

(Total 25 Marks)

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